

ECONOMIC DEVELOPMENT REVOLVING LOAN COMMITTEE

A meeting of the Economic Development Revolving Loan Committee was called to order on October 14, 2005 at 10:00 a.m. in the City Hall Council Chambers by Chairman Kropp. Other members present included Fekete, Lowery, Ostermann, and Prange. Also present was Jeff Hannack, representing Hidden Valley Industries, Inc.. A motion was made by Fekete, seconded by Lowery to approve the minutes of the September 7, 2005 meeting. Motion carried.

Mr. Hannack, representing Hidden Valley Industries, Inc. reviewed a loan application for inventory/working capital for the business located in the Industrial Park. Mr. Hannack indicated that the company had completed a 10,000 square foot building addition, currently had 8 employees, and repackages products for the institutional and secondary food markets. The firm specializes in re-labeling and reconstituting items in the vegetable, cheese and pudding arenas. The loan proposal is for \$50,000 with a five [5] year amortization. The Committee asked questions regarding various aspects of the loan request. After Mr. Hannack left the meeting, a motion was made by Fekete, seconded by Lowery to recommend City Council approval of a \$50,000 working capital loan to be amortized over five [5] years at a 6% rate of interest with payments by electronic fund transfers, collateralized by personal guarantees of the three principals, security interest in any Wisconsin real estate sufficient to satisfy the loan, a cross corporation guarantee with Cedar Valley Distribution, Inc. and a security interest on all other assets. Distribution of the funds would be based on a need for the working capital determined by the borrowers. Motion carried.

The Committee reviewed the financial statements through September, 2005 with no action being taken. A motion was made by Lowery, seconded by Fekete to adjourn. Motion carried.

Respectfully submitted,

Lowell R. Prange
Recording Secretary

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